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September 17, 2008

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**SUBJECT: FLEET MANAGEMENT DEPARTMENT'S VOYAGER FUEL CREDIT
CARDS FOLLOW-UP AUDIT**

Introductory Remarks

In compliance with Article V, Section 6, of the San Bernardino County Charter and the Board of Supervisor's Policy on Internal Operational Auditing. We have completed a follow-up audit of the Voyager credit cards relating to Fleet Management Department. Our audit was conducted in accordance with the standards developed by the Institute of Internal Auditors.

Objectives, Scope and Methodology

The objective of this follow-up audit was to determine whether the Fleet Management Department implemented the five recommendations contained in an earlier report, *Audit of the Voyager Fuel Credit Cards Managed by Fleet Management* issued October 2, 2006. We reviewed for the period of April 1, 2008 through June 30, 2008. To determine the implementation status of the recommendations, we:

- Interviewed Fleet Management Department employees
- Reviewed and analyzed controls

Conclusion

All of the recommendations from the previous report have been implemented by Fleet Management. No further follow-up on these recommendations will be necessary.

A draft report was delivered to the Fleet Management Department and the results were discussed on 9/17/2008.

Prior Audit's Findings and Recommendations with Current Status

The details of the prior audit's finding and recommendations and their implementation status are below:

Finding 1: Management did not provide users with written guidance for the use of the Voyager fuel cards.

Recommendation:

The Fleet Management Director should update written procedures regarding the use of the Voyager cards. Procedures should address Fleet Management's oversight responsibilities as well as department and individual user responsibilities. The procedures should be distributed to all card users.

Current Status: Implemented

Finding 2: Departments did not have a system in place to track the receipt and issuance of assigned fuel cards and periodic inventories were not conducted.

Recommendation:

The Fleet Management Director should:

- a. Verify, with the vendor, all active Voyager cards received by Fleet Management, and immediately cancel all cards which cannot be accounted for.
- b. Record and periodically inventory all Voyager cards maintained by Fleet and user departments.
- c. Issue cards to a specific County vehicle, recording all relevant details needed to establish accountability.
- d. Maintain complete historical use data, including vehicle number and card status.

Current Status: Implemented

Finding 3: Voyager cards provided with loaner vehicles were not properly recorded and tracked.

Recommendation:

The Fleet Management Director should ensure Motor Pool personnel:

1. Review the Credit Card Dispatch Log, research observed discrepancies, and update the log where possible.
2. Ensure all cards recorded in the log are properly accounted for.
3. Properly record each transaction.
4. Periodically, at least monthly, conduct a supervisory review of the log to ensure entries are properly completed and all discrepancies are resolved in a timely manner.

Current Status: Implemented

Finding 4: Established controls over the use of Voyager fuel cards need to be monitored and enforced.

Recommendation:

The Fleet Management Director should:

1. Monitor reported activity to ensure cards are used responsibly and only for approved County expenditures.
2. Update card use procedures to include recommended limitations on card usage, such as not allowing the purchase of personal items, input accurate odometer readings, and only using a set grade of fuel.
3. Distribute updated card use procedures to all card users.

Current Status: Implemented

Finding 5: Monthly Voyager charges were not validated prior to payment.

Recommendation:

The Fleet Management Director should ensure a reconciliation of the monthly Voyager invoice to user charges is performed prior to payment. Considering the large number of Voyager cards in the possession of the

departments, the Fleet Management Director should require departments validate their Voyager charges, providing Fleet Management with a written statement of the validity of the charges. To assist departments in validating their Voyager billings, the Fleet Management Director should coordinate between the vendor and user departments to obtain billings in an easily reconcilable format.

Current Status: Implemented

Thank you very much for the cooperation extended by your staff during the course of this audit.

Respectfully submitted,

Larry Walker
Auditor/Controller-Recorder

By: _____
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